

# House File 388 - Introduced

HOUSE FILE 388

BY GASKILL

## A BILL FOR

- 1 An Act relating to the approval and use of increased local
- 2 sales and services tax revenues to fund urban renewal
- 3 projects and including effective date provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423B.10, Code 2011, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 7. An ordinance under this section  
4 providing for the use of a designated amount of the increased  
5 local sales and services tax revenue shall not be adopted or  
6 amended on or after the effective date of this Act. However,  
7 an ordinance adopted under this section may be repealed or  
8 amended on or after the effective date of this Act to reduce  
9 the amount of local sales and services tax revenue used or to  
10 reduce the period of time during which such revenues are used.

11 Sec. 2. ORDINANCES ADOPTED PRIOR TO EFFECTIVE DATE. The  
12 amount of the increased local sales and services taxes received  
13 by a city as the result of an ordinance adopted prior to  
14 the effective date of this Act under chapter 423B that have  
15 been designated by a city by ordinance to fund urban renewal  
16 projects pursuant to section 423B.10 shall be deposited in the  
17 city's special fund created in section 403.19, subsection 2,  
18 and shall be used to fund urban renewal projects located in an  
19 urban renewal area.

20 Sec. 3. OBLIGATIONS OF CITIES. This Act shall not relieve,  
21 impair, or otherwise alter the obligations of a city relating  
22 to bonds issued pursuant to chapter 403 prior to the effective  
23 date of this Act or contracts made prior to the effective date  
24 of this Act in connection with an urban renewal project.

25 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
26 immediate importance, takes effect upon enactment.

27 EXPLANATION

28 This bill relates to the use of sales and services tax  
29 revenues to fund urban renewal projects.

30 Current law allows an eligible city to provide by ordinance  
31 for the use of a designated amount of the increased local sales  
32 and services tax revenues attributable to retail establishments  
33 in an urban renewal area to fund urban renewal projects located  
34 in the area.

35 The bill provides that an ordinance under Code section

1 423B.10 designating an amount of increased local sales and  
2 services tax revenue for urban renewal projects may not be  
3 adopted or amended on or after the effective date of the bill.  
4 The bill allows existing ordinances to be amended for certain  
5 purposes or repealed on or after the effective date of the  
6 bill.

7     The bill provides that any local sales and services taxes  
8 received as the result of an ordinance adopted prior to the  
9 effective date of the bill and designated for urban renewal  
10 projects must be deposited in the city's special fund and used  
11 to fund urban renewal projects.

12     The bill does not relieve, impair, or alter the obligations  
13 of a city in regard to certain bonds or contracts.

14     The bill takes effect upon enactment.